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## CHAPTER X

## Austria's Trade

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TRADE is of decisive importance for Austria and especially for Vienna. Agriculture and mining are unable to meet the demand made upon them by the population. The manufactures lack raw materials and other means of fabrication. Despite the greatest exertions made by the government and all classes of the population, only a comparatively small part of the demand for raw materials and manufactured goods could be furnished by home production. Through trade alone would it seem possible, therefore, to obtain the necessary raw materials. If amply provided with raw materials Austria could also manufacture high class specialties in fancy goods on a large scale. In order to dispose of this surplus of production highly developed trade would again be needed.

To a certain degree the very existence of Austria and Vienna can be assured only by an enormous development of trade and commerce. The foundations for such a development are already laid, since Austria by geographical position appears eminently suited to form a connecting link for the trade between the North and the South, the West and the East of Europe. Then, too, Vienna, beside all kinds of institutions needed for carrying on trade and traffic boasts, in the first instance, banks and other similar organizations, insurance companies, communications, forwarding agents, storehouses, etc. Just after the break-down of the Austro-Hungarian Monarchy the natural and historical importance of Vienna as an international, financial and commercial

center in Central Europe re-asserted itself and has grown ever since.

When the unhappy War was over, the home trade found itself chiefly occupied with foodstuffs and the necessities of life. Very often speculators caught hold of these valuable articles and raised their price inordinately, despite the most severe preventive measures. This questionable trade, carried on as it is chiefly by foreigners, injures the reliable, old-established indigenous merchants as well as the population, the economic life and the currency; but it will doubtless cease immediately when necessities of life can be thrown into the markets in sufficient quantities.

The weekly markets in the larger towns, the cattle markets and the trade carried on by hucksters are important for home trade. Owing to the difficulties of communication, markets and fairs have gained in importance. In Vienna regular public sales by auction of objects of art, articles manufactured by the arts and crafts, and antiques are held. At the public pawn broker's office and repository (*Versatz und Verwahrant Dorotheum*) new and second-hand goods are sold by auction almost daily.

Most of the commerce between the Succession States and Austria-Hungary is actually or financially carried on through the intermediary of Vienna. If the Allied Powers really mean to keep up the independence of Austria and Vienna, they can achieve this only by granting correspondingly *high credits*, in order to pay up Austrian

currency, and by promoting Austria's manufactures and trade to the utmost. Unfortunately, Austrian trade is much hampered by various measures adopted by neighboring countries, whereas, perhaps, if these countries were to study their own interests, they would guard the independence of Austria.

Three great valleys' following the main direction of the mountain range and four side valleys in the Alps, all of which are traversed by railway lines, form the natural network of traffic for the trade of Austria. From west to east the Danube forms the important line of commercial communication, but it is far from having been properly utilized because Austria could not command the necessary funds for enlarging the ports of Vienna, Korneuburg and Linz on the Danube and stimulating the traffic.

Next to Vienna the most important commercial centers are Graz, Innsbruck, Linz, Salzburg, Klagenfurt, Bregenz, Villach, Wiener-Neustadt, St. Pölten, Baden, Steyr, Wels, Krems.

The most important articles of Austrian trade are at present as follows: wood and wooden articles, iron, and iron mongery, paper and paper goods, (stationery), machinery, apparatus, textile fabrics, clothes, grain, leguminous plants, flour, vegetables, fats, fuel, chemical products, mechanical instruments, watches, leather and fancy goods and the so-called "Viennese articles"—ready-made clothes, furniture, cars and carriages, leather goods, articles for smokers, works of art, articles produced by the arts and crafts and cigarette paper.

The imports arranged according to quantity comprise: coal, coke, grain, vegetables and vegetable products, sugar, all kinds of foodstuffs, iron and iron mongery, stone-, china- and glassware, pottery, minerals, mineral oils, raw materials for textiles, chemi-

cals, machinery and apparatus, salt, raw materials and other materials used in manufacture.

The principal articles for export arranged according to quantity are: wood and wooden articles, minerals, especially magnesite, graphite, lime, stones, ores, talcum, iron, and iron mongery, offal, paper and stationery, vegetables and fruit, machinery, apparatus, wearing apparel, cars, chemicals, books, works of art, glass- and chinaware.

Three-quarters of the total imports consist of coal and coke, grain, leguminous plants, rice and flour. Sugar and other foodstuffs rank next. It is most satisfactory to state the increased import of industrial raw materials particularly cotton, wool, hemp, jute, hides, skins, tanning materials, India rubber, leather, iron, raw metal, together with a decrease in the importation of their manufactured articles. The rising importation of manure salts and other manure is also a matter of satisfaction. The increased export is in the first place to be attributed to the greater exportation of wood, metal, ores, magnesite, and further to that of cotton fabrics, woollen materials, hats and umbrellas, ready-made clothes, stationery, India rubber goods, shoes, furniture and other wooden articles, cement, hardware, colors, soaps, and chemicals (especially vitriol of copper).

More than half of the imports come from Germany, one-fourth from Czecho-Slovakia, whereas one-fourth of the exported goods go to Italy, one-fourth to Czecho-Slovakia, and smaller fractions to Germany, Hungary, Switzerland, Jugo-Slavia and Poland. Unfortunately, the large Viennese trade with the western countries, with Russia and countries overseas, which had been flourishing before the War, could not be resumed to such an extent as to ensure even the most precarious existence for Austria and Vienna.

The transit trade is very considerable in all sorts of fuel, cotton yarn and cotton fabrics, apparatus, salt, foodstuffs, sugar, minerals, iron and hardwares, chemicals, beverages, wool and woolen goods, ready-made clothing, stationery, glass-, china- and earthenware, cars, mechanical instruments, watches, matches, candles, soaps and offal.

Whereas in 1919 the import came up to scarcely 40 millions kronen and the export scarcely to 10 millions kronen, the import rose to 14.5 millions kronen during the first quarter of 1921 against 11.4 millions during the corresponding period of 1920. The export rose from 1.9 millions kronen in the first quarter of 1920 to 3.8 millions in the first quarter of 1921. The import showed an increase of 28, the export, of 100 per cent. But unfortunately the export continues to form only one-fourth of the import, whereas for the sake of her mere existence Austria ought to export much more than she imports.

Only the exceedingly large finishing up trade, for which America, England, France, Italy, Belgium and the Succession States of Austria-Hungary should allow her credits and raw materials to facilitate the selling of the finished articles in their own commercial centers, may help to save Austria from utter ruin in which Europe and the

overseas countries would be involved to a much higher degree than it can be imagined at present.

Vienna's innate vitality has so far stood the severest tests very well indeed, despite all pessimistic prophecies, and the Capital has developed into a center of trade and commerce for Central and Eastern Europe. The most strenuous efforts are being made at present in this heavily afflicted city to arrange a fair on the largest scale.

But a lasting guarantee for the existence of Vienna can be found only in its development into a center of transit, with a transit port on the Danube, as many transit storehouses as possible and other institutions for transit trade. During the Great War, Vienna received the fugitives of foreign nationality from the North, the East and the South with great hospitality. It has preserved peace and order in spite of the severest sufferings and the greatest shortage of food. These facts, alone, would make it particularly adapted as a centre for international trade and commerce and as the meeting place for international commissions. Foreign capitalists wishing to invest their money would find in Vienna many opportunities, that bid fair to pay rich interests and gradually develop into an excellent and lasting business.

## CHAPTER XI

### The Customs Policy of the Republic of Austria

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**T**HE trade and customs policy of the Republic of Austria is founded mainly on the following principles:

1. The customs tariff of former Austria-Hungary, dated February 13,

1906. This tariff has undergone numerous modifications, *i.e.*, reductions or partial alterations through the commerce treaties of Austria-Hungary concluded in the meantime. The